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ARIZONA LABOR MARKET INFORMATION NEWSLETTER

Vol. IX No. 9
September 1985

**Unemployment Rate**

Seasonally Adjusted
July*

| | |
|---|---|
| ARIZONA | 6.7% |
| Maricopa Co. | 5.0% |
| Pima Co. | 5.2% |
| UNITED STATES | 7.3% |

**Consumer Price Index**

National-June
1967 - Base Year

| | |
|---|---|
| Wage Earner/Clerical Worker - | 318.7 |
| % Chg. Yr. Ago | 4.1 |
| All Urban - | 322.3 |
| % Chg. Yr. Ago | 3.7 |

Phoenix-2nd Qtr.
1977 - Base Year

| | |
|---|---|
| All Urban - | 190.8 |
| % Chg. Yr. Ago | 6.0 |

**Producer Price Index**

National-July*
1967 - Base Year

| | |
|---|---|
| All Commodities- | 309.0 |
| % Chg. Yr. Ago | -0.9 |
| Finished Goods - | 294.8 |
| % Chg. Yr. Ago | 0.9 |

* Preliminary

# FORECAST UPDATE: EMPLOYMENT IN ARIZONA

Last January, when we were preparing our annual employment forecasts, Arizona was basking in the afterglow of the remarkable economic performance of 1984. The Arizona economy had created over 100,000 jobs during the year and had ranked at or near the top of the 50 states in nearly every measure of economic growth. A record low unemployment rate of 4.3 percent had been recorded in November, just two months earlier.

Even so, signals of an approaching slowdown were already in evidence. The unemployment rate leaped from 4.4 percent to 5.5 percent in January 1985. The construction and manufacturing sectors, stalwart performers throughout the recovery and expansion of 1983-84, were still growing. However, the diminished intensity of these activities was reflected by slower rates of employment growth.

Forecasting is always a difficult undertaking, especially when structural conditions appear to be changing. We plunged ahead with a relatively cautious forecast in February that predicted continued growth, but at a very modest rate compared to 1984. We expected unemployment to rise as the economy cooled down, reaching a peak during 1986 before conditions improved late in the year.

With seven months of data in for 1985, there were a few surprises. Construction employment continued to grow through the first half of the year. Interest rates remained relatively low, influenced by the

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Nancy Augustin, editor


aggressive policy pursued by the Federal Reserve. A sharp contrast developed in Arizona's manufacturing sector. Defense contractors continued expanding very rapidly while electronics manufacturers producing for private sector markets reduced work schedules and laid off employees. As a result, employment has continued to rise, but unemployment has increased more rapidly than expected.

We expect unemployment to continue its upward trend through the end of the year. The unemployment rate in Arizona will peak during the first quarter of 1986 at about 7.9 percent. At that point, labor market conditions should begin to improve. Unemployment will drop gradually to an average of 5.8 percent in 1987.

ARIZONA
(annual averages, in thousands)

| | 1984 | 1985 | PERCENT CHANGE | 1986 | PERCENT CHANGE | 1987 | PERCENT CHANGE |
|---|---|---|---|---|---|---|---|
| LABOR FORCE | 1432.0 | 1485.2 | 3.7 | 1596.8 | 7.5 | 1649.3 | 3.3 |
| EMPLOYMENT | 1361.0 | 1388.6 | 2.0 | 1479.0 | 6.5 | 1553.1 | 5.0 |
| UNEMPLOYMENT | 71.0 | 96.6 | 36.1 | 117.8 | 21.9 | 96.2 | -18.3 |
| UNEMPLOYMENT RATE | 5.0 | 6.5 | | 7.4 | | 5.8 | |
| WAGE AND SALARY EMPLOYMENT | 1180.8 | 1258.0 | 6.5 | 1291.8 | 2.7 | 1361.4 | 5.4 |
| MANUFACTURING | 172.3 | 181.5 | 5.3 | 183.7 | 1.2 | 195.2 | 6.3 |
| MINING | 13.3 | 11.5 | -13.5 | 10.5 | -8.7 | 11.0 | 4.8 |
| CONSTRUCTION | 96.2 | 108.0 | 12.3 | 106.3 | -1.6 | 113.9 | 7.1 |
| TCPU | 60.4 | 63.4 | 5.0 | 66.1 | 4.3 | 69.6 | 5.3 |
| TRADE | 286.7 | 303.8 | 6.0 | 311.7 | 2.6 | 328.7 | 5.5 |
| FIRE | 71.7 | 76.2 | 6.3 | 78.3 | 2.8 | 82.3 | 5.1 |
| SERVICES | 274.1 | 295.2 | 7.7 | 307.6 | 4.2 | 325.2 | 5.7 |
| GOVERNMENT | 206.1 | 218.4 | 6.0 | 227.6 | 4.2 | 235.5 | 3.5 |

Employment will grow very slowly during the next year compared to the breakneck pace of job creation the state experienced in 1984. Wage and salary employment will average about 1.258 million in 1985, 6.5 percent higher than last year. This rate of growth is modest compared to the 9.6 percent increase recorded last year, yet is more than double the 2.7 percent growth rate expected next year.

Most of the increases expected in 1985 have already occurred. Employment will decline in construction but will remain above the 100,000 mark through the forecast period. The average level of 106,300 expected in 1986 is only 1.6 percent below the level for the current year. The number of manufacturing jobs in Arizona will creep upward next year by about 1.2 percent. Some industries will reduce employment, but the rapid growth of aerospace and other defense-contracting activities will prevent overall manufacturing employment from falling in 1986.

By 1987, Arizona will be back on the path of strong economic growth it has traveled for most of its history. Market conditions should improve for electronics manufacturers, some of the surplus of office buildings and apartments will be absorbed, and an improving national economy should bring a high volume of tourist activity to Arizona, stimulating even more growth in the trade and service sectors.

# Maricopa County

During 1984 and early 1985 much of the economic activity that was generating such impressive numbers at the state level was occurring in the Phoenix metropolitan area. Since Maricopa County accounts for more than half the statistical measures of population, employment, and income in Arizona, it has a correspondingly dominant impact on the state's economic performance. The enormous gains in construction, manufacturing, and services employment in the county last year resulted in unusually high measures of growth at the state level. While wage and salary employment grew by 9.6 percent in Arizona last year, Maricopa County registered an increase of 11.1 percent.

In 1985, rising unemployment and a slower rate of job creation in the Phoenix area have had the expected effect on Arizona's economic measures. By July, the unemployment rate had reached 5 percent, well below the national average but well above the record low of 3.2 percent recorded just eight months earlier. The trend is expected to continue. Unemployment is expected to rise to about 6.4 percent of the county labor force before reversing direction early next year.

Several factors are contributing to the loss of momentum by the local economy this year. The highly touted technology sector has been slowed by lower product demand, high inventories, and intense international competition. It is expected that these firms, both nationally and in Arizona, will be adding workers again by the end of 1986. Meanwhile producers of equipment for procurement by the Department of Defense are hiring employees at a rapid clip and will probably continue to do so through 1987.

The widely reported surplus of office space in the Phoenix area has yet to result in deep cuts in construction employment, but there are indications that the excess supply, combined with slowing demand for new structures, may result in fewer construction jobs next year. The level of construction employment is expected to drop, but only by 1.5 percent. Moderate interest rates and a large volume of road-building activity should support a relatively high number of construction jobs in the Phoenix area for the duration of the forecast.

Even with so much concern about manufacturing and construction, it would be difficult to overlook the gains achieved in the service-producing sectors. The transportation, communication, and public utilities industry (TCPU) has added hundreds of workers this year and should continue to expand in the months ahead. Finance, insurance, and real estate (FIRE) also is expected to be

MARICOPA COUNTY
(annual averages, in thousands)

| | 1984 | 1985 | PERCENT CHANGE | 1986 | PERCENT CHANGE | 1987 | PERCENT CHANGE |
|---|---|---|---|---|---|---|---|
| LABOR FORCE | 904.9 | 940.3 | 3.9 | 1012.2 | 7.6 | 1046.9 | 3.4 |
| EMPLOYMENT | 870.7 | 892.7 | 2.5 | .951.4 | 6.6 | 997.6 | 4.9 |
| UNEMPLOYMENT | 34.2 | 47.6 | 39.2 | 60.8 | 27.7 | 49.3 | -18.9 |
| UNEMPLOYMENT RATE | 3.8 | 5.1 | | 6.0 | | 4.7 | |
| WAGE AND SALARY EMPLOYMENT | 769.7 | 824.4 | 7.1 | 846.2 | 2.6 | 890.4 | 5.2 |
| MANUFACTURING | 125.1 | 131.7 | 5.3 | 132.3 | 0.5 | 138.8 | 4.9 |
| MINING | 0.6 | 0.6 | 0.0 | 0.6 | 0.0 | 0.6 | 0.0 |
| CONSTRUCTION | 66.2 | 75.5 | 14.0 | 74.4 | -1.5 | 78.2 | 5.1 |
| TCPU | 39.2 | 41.8 | 6.6 | 44.0 | 5.3 | 46.4 | 5.5 |
| TRADE | 194.9 | 206.6 | 6.0 | 212.1 | 2.7 | 224.2 | 5.7 |
| FIRE | 56.0 | 59.5 | 6.3 | 61.3 | 3.0 | 64.4 | 5.1 |
| SERVICES | 185.6 | 199.6 | 7.5 | 207.0 | 3.7 | 219.5 | 6.0 |
| GOVERNMENT | 102.1 | 109.1 | 6.9 | 114.5 | 4.9 | 118.3 | 3.3 |

an important source of job opportunities during the next two years. The trade sector, a mainstay of the metropolitan economy for many years, will continue to respond to the demands of a growing population and strong tourism activity by hiring thousands of new workers, but not at the explosive pace observed in 1984. A similiar pattern will evolve in the service industries: continued expansion, but slower growth rates.

Population growth also is having a profound effect on government employment in Maricopa County. Rising demand for public services and expanding school enrollments have resulted in unusually high rates of employment growth. The rate of increase is expected to be nearly 7 percent this year. Although the growth rate is expected to diminish over the next two years, the public sector still will create over 5,000 new jobs in Maricopa County during 1986.

The Phoenix metropolitan area is expected to be a hot spot of regional economic activity for years to come. A diversified economic base, built on a sturdy foundation of government, tourism, and defense-related manufacturing, will prevent a major slump from taking place in the foreseeable future. Evidence of the added complexity of the Maricopa County economy can be found in the rapid expansion of business and financial services. The anticipated future growth of commercial and corporate activities in the Southwest promises to stimulate continued growth in these supporting industries. The emergence of Phoenix as a regional business center should result in an expanding number of job opportunities.

The outlook for Maricopa County remains relatively sanguine. We may not see the explosive growth that characterized 1984, but a boom-bust scenario that could occur in a less diversified economy should be averted.

# Pima County

Traditionally, the Tucson area has been somewhat more sensitive to changes in the national economic environment than Maricopa County. This has been even more evident in recessions and periods of slow growth during the last 10 years.

This may be changing. The structure of the Pima County economy is in the process of a transformation which has accelerated during the mid-1980s. While thousands have lost their jobs and thousands more still work in the area's mines and smelters, the copper industry is not as prominent in determining the economic fortunes of the Tucson metropolitan area as it has been in the past. Mining employment has fallen steadily in 1984 and 1985 and is expected to continue to decline next year. The effect on Ajo and other single-industry communities has been devastating, but the Tucson area has managed to develop other sources of economic vitality.

One sector which will generate many job opportunities is the tourism industry. Hundreds of first class resort rooms are being added to Pima County's supply of hotel and lodging facilities. This will enhance the ability of Tucson to attract a larger share of the tourist and convention business which historically has gone to other areas. The rapid expansion of tourism also should stimulate the retail trade sector. The northern sections of the metropolitan area should benefit from the proximity of the new resort facilities.

PIMA COUNTY
(annual averages, in thousands)

| | 1984 | 1985 | PERCENT CHANGE | 1986 | PERCENT CHANGE | 1987 | PERCENT CHANGE |
|---|---|---|---|---|---|---|---|
| LABOR FORCE | 260.7 | 268.2 | 2.9 | 294.0 | 9.6 | 308.3 | 4.9 |
| EMPLOYMENT | 249.0 | 253.5 | 1.8 | 276.7 | 9.2 | 293.9 | 6.2 |
| UNEMPLOYMENT | 11.7 | 14.7 | 25.6 | 17.3 | 17.7 | 14.4 | -16.8 |
| UNEMPLOYMENT RATE | 4.5 | 5.5 | | 5.9 | | | |
| WAGE AND SALARY EMPLOYMENT | 214.0 | 229.8 | 7.4 | 236.9 | 3.1 | 253.2 | 6.9 |
| MANUFACTURING | 29.0 | 31.0 | 6.9 | 32.5 | 4.8 | 36.3 | 11.7 |
| MINING | 3.4 | 2.4 | -29.4 | 2.1 | -12.5 | 2.4 | 14.3 |
| CONSTRUCTION | 18.2 | 20.3 | 11.5 | 19.3 | -4.9 | 21.8 | 13.0 |
| TCPU | 8.9 | 9.0 | 1.1 | 9.2 | 2.2 | 9.6 | 4.3 |
| TRADE | 47.3 | 50.5 | 6.8 | 52.0 | 3.0 | 54.8 | 5.4 |
| FIRE | 10.0 | 10.7 | 7.0 | 10.9 | 1.9 | 11.7 | 7.3 |
| SERVICES | 50.4 | 55.9 | 10.9 | 59.1 | 5.7 | 61.9 | 4.7 |
| GOVERNMENT | 46.9 | 50.0 | 6.6 | 51.8 | 3.6 | 54.7 | 5.6 |

Manufacturing employment in Pima County should continue to increase. A large portion of the manufacturing base is producing defense-related equipment, ensuring continued expansion into 1987. The major electronics firms appear to be adjusting to difficult market conditions, making large-scale layoffs of permanent employees unlikely. As demand improves, these firms should react by expanding operations.

The construction of new roads, hotels and resorts, in combination with brisk home-building activity, has resulted in 2,000 new construction jobs in 1985. Next year should bring lower employment levels as major projects under way earlier this year are completed. By 1987, construction employment should rebound in response to higher levels of demand for housing, commercial, and industrial facilities.

In spite of the slump in the copper industry, the Tucson metropolitan area has managed to increase the diversity of its economic base substantially in recent years. This trend will continue, suggesting that Pima County will be able to sustain growth in employment in the years ahead.

# Nonmetropolitan Arizona

A wide variety of conditions exist in the nonmetropolitan counties. Some areas are creating new jobs and growing rapidly while other regions have lost hundreds of jobs which may never be regained. In general, unemployment has been a persistent problem in most of the nonmetropolitan areas. A few communities, including Flagstaff, Prescott,

NONMETROPOLITAN COUNTIES
(annual averages, in thousands)

| | 1984 | 1985 | PERCENT CHANGE | 1986 | PERCENT CHANGE | 1987 | PERCENT CHANGE |
|---|---|---|---|---|---|---|---|
| LABOR FORCE | 266.4 | 276.7 | 3.9 | 290.7 | 5.1 | 294.1 | 1.2 |
| EMPLOYMENT | 241.2 | 242.4 | 0.5 | 250.9 | 3.5 | 254.8 | 1.6 |
| UNEMPLOYMENT | 25.1 | 34.3 | 36.7 | 39.8 | 16.0 | 32.5 | -18.3 |
| UNEMPLOYMENT RATE | 9.4 | 12.4 | | 13.7 | | 11.1 | |
| WAGE AND SALARY EMPLOYMENT | 197.1 | 203.8 | 3.4 | 208.6 | 2.4 | 217.8 | 4.4 |
| MANUFACTURING | 18.2 | 18.7 | 2.7 | 19.0 | 1.6 | 20.2 | 6.3 |
| MINING | 9.3 | 8.4 | -9.7 | 7.8 | -7.1 | 7.9 | 1.3 |
| CONSTRUCTION | 11.8 | 12.2 | 3.4 | 12.4 | 1.6 | 13.8 | 1.1 |
| TCPU | 12.3 | 12.6 | 2.4 | 12.9 | 2.4 | 13.6 | 5.4 |
| TRADE | 44.5 | 46.8 | 5.2 | 47.7 | 1.9 | 49.8 | 4.4 |
| FIRE | 5.7 | 6.0 | 5.3 | 6.0 | 0.0 | 6.1 | 1.7 |
| SERVICES | 38.1 | 39.7 | 4.2 | 41.6 | 4.8 | 43.9 | 5.5 |
| GOVERNMENT | 57.1 | 59.4 | 4.0 | 61.2 | 3.0 | 62.5 | 2.1 |

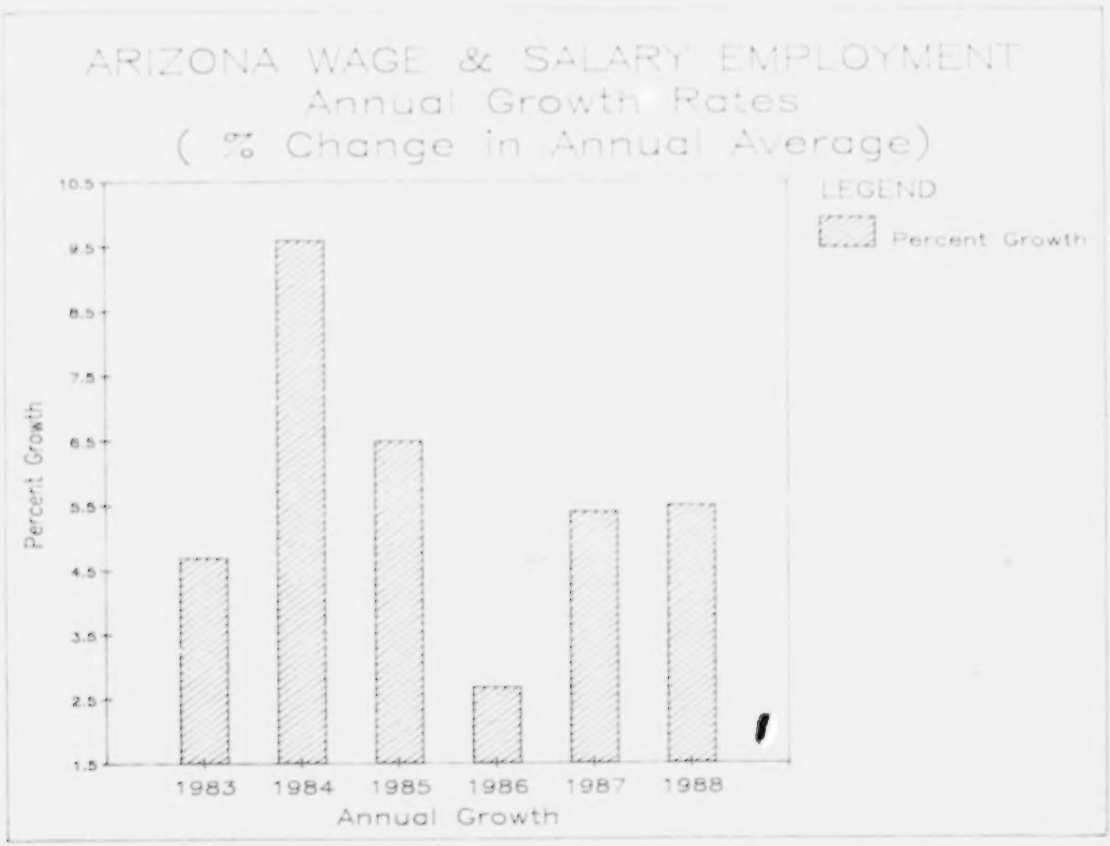
Sierra Vista, and Casa Grande have been able to attract enough jobs to keep unemployment below the double-digit levels that exist in most of the rural areas. Others, such as Clifton-Morenci, Douglas, and Superior have been ravaged by the depressed condition of the copper industry.

There is little in the outlook for the nonmetropolitan counties to suggest any major changes during the next two years. The current sluggishness in economic growth at the national level is expected to continue into 1986, causing higher unemployment throughout nonmetropolitan Arizona as well as in the urban areas. Mining employment will continue to fall, construction activity will slow, and manufacturing activity will be relatively static--some firms will bring on additional employees while others will be laying workers off.

Trade and services employment will grow in the vicinity of the major tourist destinations. Unfortunately, Arizona's southern border regions are likely to continue to lose jobs before their economies improve. The near term outlook for the Mexican economy, upon which retail trade along the border very heavily depends, is that conditions will deteriorate before they improve several years from now.

The Indian Reservations of Arizona also will face rising unemployment in the next two years. The traditional crafts, agriculture, mining, and light-manufacturing activities will not create enough jobs to employ all the reservation residents who are seeking work. The key to economic growth in the future may be to attract new businesses to the reservations.

Brian Cary



## SPECIAL MID-DECADE CENSUS TO BEGIN OCTOBER 1 IN MARICOPA COUNTY

About 3,100 people will begin asking questions door-to-door on October 1 this fall to come up with current population counts for cities in Maricopa County. The Maricopa Association of Governments (MAG) has contracted with the U.S. Census Bureau to conduct the headcount which will cost an estimated $3.1 million and will be paid for by the 20 cities participating in the census. It will be the largest special census in recent U.S. history and all households in the following cities and towns are strongly advised to cooperate in this important effort: Avondale, Buckeye, Carefree, Chandler, El Mirage, Gila Bend, Gilbert, Glendale, Goodyear, Guadalupe, Mesa, Paradise Valley, Peoria, Phoenix, Scottsdale, Surprise, Tempe, Tolleson, Wickenburg, and Youngtown.

The people going door-to-door are known as "enumerators" and an instant benefit occurs in Maricopa County as the 3,100 enumerators are hired in full-time, temporary jobs paying $5.49 per hour.* More importantly, these new counts will update 1980 population figures, and that means that the way the economic pie is sliced will shift in direct proportion to the cities' and towns' growth rates. Most cities stand to increase their share of the $370 million Arizona allocates to its communities based on specific rates of growth.

For example, fast-growing Chandler stands to gain an estimated $2.5 million in state revenue-sharing funds in 1986-87 (the first year these revised census figures will be used to apportion state-shared revenues). Phoenix, on the other hand, with its modest population growth, will pay about $1 million to participate in the survey in order to keep from losing the $14 million it would with the use of old 1980 Census figures to calculate its "share." By paying for this mid-decade census, Phoenix will cut its losses to only $6 million in 1986-1987. Likewise, the other 19 cities or towns will all benefit from this special census, even if only to cut their losses from what they would be using 1980 Census counts. Based on the results, local communities stand to gain a larger share of sales tax, gasoline tax (Highway User Revenue Fund), income tax, and lottery dollars.

In 1980, Maricopa County had a population of more than 1.5 million. That figure may have increased to 1.7 million or more, according to Prisilla Hernandez, special census coordinator for MAG. Although early results will be announced before the end of the year, the final tally will not be available until March.

Remember, when the enumerator comes to your door, he or she will keep all responses confidential. And, unlike the door-to-door salesperson, this person is there to make money for you--even if only indirectly.

Nancy Augustin

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*For those interested in the positions of enumerator, crew leader, or clerk, you should contact your nearest DES Job Service office.

## NEW LMI PUBLICATIONS

Vocational Program Planning Reports: The Occupational Information System (OIS) has released two reports designed for vocational program planners, administrators, and careers counselors. These reports are by county and statewide in the Classification of Instructional Programs (CIP) format. One report covers 1984 proprietary school and community-based organization enrollments and completors. The other report covers 1984 apprenticeship enrollments and completors.

The 1984 Pima County Employer Wage Survey publication is now available to the public. This booklet reports wage levels in August, 1984 of 70 occupations of the large employers in Pima County. Public and private establishments are included in this yearly survey. Also included in this report are the results of their fringe benefit program study done at the same time.

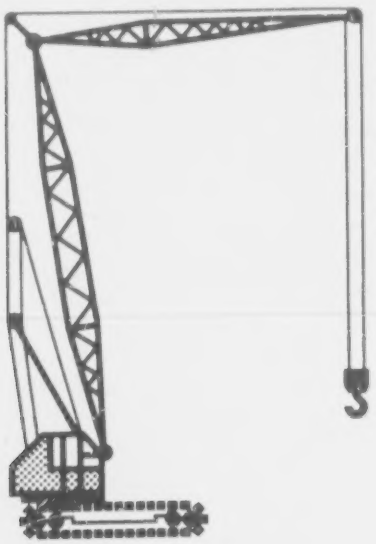
Copies of these new publications, can be obtained by writing to the address on the back of this NEWSLETTER.

## THE ARIZONA LABOR FORCE IN JULY

While the unemployment rate in Arizona was unchanged from June's revised level of 6.7 percent, there is increasing evidence of sluggishness in the recent performance of the regional economy. The number of unemployed rose to 101,500 last month, the first time that the 100,000 mark has been breached since October 1983. The slowing rate of job creation in recent months suggests that we may see unemployment continue to rise in the months ahead.

Much of the decrease in wage and salary employment observed last month can be attributed to seasonal factors. About 7,600 of the 10,000 jobs lost in July were in government--Arizona's schools reduced staffs by over 10,000, while other components of the public sector registered increases. Some seasonal job losses, particularly the trade and service industries, were less than expected at this time of year, with hotels and lodging establishments throughout Arizona continuing to show strength.

The industries that raise our concern right now are those that have led the economic expansion of the last 2 1/2 years. Employment in Arizona's construction industry declined last month by over 1,000, the first



decrease since last December and the largest over-the-month decrease since January 1982. Most of the losses were observed in Maricopa County. Construction employment fell by 1,300 in the Phoenix area, while Pima County and the balance of the state actually registered increases. It is too early, on the basis of one month's figures, to predict a trend, but the reduction in construction employment in July may be a reaction to reports of a growing surplus of office space in the Phoenix market. With interest rates firming up in recent weeks, and with more stringent requirements being proposed for federally guaranteed mortgage loans, the near term outlook for construction employment is not promising.

The manufacturing sector also is showing signs of weakness. Total manufacturing employment in Arizona fell by 200 in July, the first decline recorded since January of this year, and only the second decrease since January 1983. This news comes in spite of rapid hiring activity by the state's major defense contractors. A persistent pattern of staff reductions has continued in other sectors of manufacturing, mainly among producers of electrical and electronics equipment. Nondurable goods producers reduced employment by 300 last month, further illustrating our current dependence on the defense industry for employment opportunities in Arizona.

Although the current economic picture pales in comparison to the explosive performance of 1984, there is little reason to expect a slump to compare to the 1981-1982 period. Arizona is still growing. In spite of higher unemployment, the economy is in good shape compared to most regions of the United States. In the Phoenix area, the traditional economic base of government, tourism, and defense-related manufacturing should continue to provide a solid foundation for business expansion in the future. The current uncertainty regarding the economy is symptomatic of a slower rate of economic growth at the national level. Some economic analysts believe that Arizona is a cycle-sensitive lead indicator of the American economy. If they are correct, we may be among the first to know if current conditions are temporary and if the economy will soon move back on the path of rapid economic growth.

Brian Cary

July 1985 (in thousands)

| | ARIZONA | | | | |
|---|---|---|---|---|---|
| | | | | -- Amt Change -- | |
| | Jul.* 1985 | Jun. 1985 | Jul. 1984 | Jun. to Jul. | 1984 to 1985 |
| TOTAL CIVILIAN LABOR FORCE** | 1429.4 | 1444.3 | 1411.4 | -14.9 | +18.0 |
| Total Unemployment | 101.5 | 99.1 | 75.2 | +2.4 | +26.3 |
| Rate | 7.1 | 6.9 | 5.3 | --- | --- |
| Rate (Sea. Adj.)*** | 6.7 | 6.7 | 5.0 | --- | --- |
| Total Employment | 1327.9 | 1345.2 | 1336.2 | -17.3 | -8.3 |

THE ABOVE LABOR FORCE STATISTICS SHOULD NO

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

| | | | | | |
|---|---|---|---|---|---|
| TOTAL WAGE AND SALARY | 1237.1 | 1247.1 | 1157.0 | -10.0 | +80.1 |
| Manufacturing | 182.6 | 182.8 | 173.9 | -0.2 | +8.7 |
| Durable Goods | 145.5 | 145.4 | 137.4 | +0.1 | +8.1 |
| Stone, Clay and Glass | 8.5 | 8.5 | 7.4 | +0.0 | +1.1 |
| Primary and Fabricated Metals | 17.0 | 17.2 | 16.6 | -0.2 | +0.4 |
| Primary Metals | 7.1 | 7.2 | 7.0 | -0.1 | +0.1 |
| Fabricated Metals | 9.9 | 10.0 | 9.6 | -0.1 | +0.3 |
| Machinery | 70.5 | 71.0 | 68.8 | -0.5 | +1.7 |
| Other Durable Goods | 49.5 | 48.7 | 44.6 | +0.8 | +4.9 |
| Aircraft and Missiles | 22.5 | 22.0 | 20.2 | +0.5 | +2.3 |
| Lumber and Wood Products (Except Furniture) | 7.8 | 7.6 | 7.2 | +0.2 | +0.6 |
| All Other Durable Goods | 19.2 | 19.1 | 17.2 | +0.1 | +2.0 |
| Nondurable Goods | 37.1 | 37.4 | 36.5 | -0.3 | +0.6 |
| Food and Kindred Products | 8.2 | 8.1 | 7.8 | +0.1 | +0.4 |
| Apparel | 4.4 | 4.6 | 5.0 | -0.2 | -0.6 |
| Printing and Publishing | 14.2 | 14.3 | 13.4 | -0.1 | +0.8 |
| All Other Nondurable Goods | 10.3 | 10.4 | 10.3 | -0.1 | +0.0 |
| Mining and Quarrying | 11.2 | 11.3 | 13.6 | -0.1 | -2.4 |
| Copper Mining | 8.7 | 8.6 | 10.7 | +0.1 | -2.0 |
| Other Mining and Quarrying | 2.5 | 2.7 | 2.9 | -0.2 | -0.4 |
| Construction | 110.0 | 111.1 | 98.1 | -1.1 | +11.9 |
| Trans., Communications, and Public Utilities | 63.5 | 63.1 | 60.8 | +0.4 | +2.7 |
| Transportation | 28.9 | 29.0 | 27.9 | -0.1 | +1.0 |
| Communications and Public Utilities | 34.6 | 34.1 | 32.9 | +0.5 | +1.7 |
| Trade | 299.5 | 301.2 | 282.3 | -1.7 | +17.2 |
| Wholesale Trade | 62.6 | 62.7 | 58.0 | -0.1 | +4.6 |
| Retail Trade | 236.9 | 238.5 | 224.3 | -1.6 | +12.6 |
| General Merchandise and Apparel | 37.7 | 38.0 | 37.7 | -0.3 | +0.0 |
| Food Stores | 36.1 | 36.5 | 34.3 | -0.4 | +1.8 |
| Automotive and Service Stations | 29.6 | 29.4 | 27.6 | +0.2 | +2.0 |
| Eating and Drinking Places | 83.4 | 84.0 | 78.0 | -0.6 | +5.4 |
| Other Retail Trade | 50.1 | 50.6 | 46.7 | -0.5 | +3.4 |
| Finance, Insurance, and Real Estate | 76.9 | 76.5 | 72.6 | +0.4 | +4.3 |
| Services and Miscellaneous | 296.1 | 296.2 | 275.4 | -0.1 | +20.7 |
| Hotels and Other Lodging Places | 29.8 | 30.8 | 27.4 | -1.0 | +2.4 |
| Business Services | 67.9 | 67.6 | 60.6 | +0.3 | +7.3 |
| Health Services | 71.4 | 71.7 | 69.1 | -0.3 | +2.3 |
| Other Services | 127.0 | 126.1 | 118.3 | +0.9 | +8.7 |
| Government | 197.3 | 204.9 | 180.3 | -7.6 | +17.0 |
| Federal | 41.5 | 41.4 | 39.9 | +0.1 | +1.6 |
| State and Local | 155.8 | 163.5 | 140.4 | -7.7 | +15.4 |
| School | 79.9 | 90.0 | 68.5 | -10.1 | +11.4 |

* Preliminary
** Labor force, unemployment, and employment are reported by place of residence.
*** Normal seasonal variations have been eliminated to reflect underlying economic trends.
NOTE--Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

July 1985 (in thousands)

| MARICOPA COUNTY | | | | | PIMA COUNTY | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | -- Amt Change -- | | | | | -- Amt Change -- | |
| Jul.* 1985 | Jun. 1985 | Jul. 1984 | Jun. to Jul. | 1984 to 1985 | Jul.* 1985 | Jun. 1985 | Jul. 1984 | Jun. to Jul. | 1984 to 1985 |
| 905.4 | 915.1 | 889.8 | -9.7 | +15.6 | 256.6 | 259.8 | 253.8 | -3.2 | +2.8 |
| 47.2 | 45.7 | 34.4 | +1.5 | +12.8 | 14.0 | 14.2 | 10.9 | -0.2 | +3.1 |
| 5.2 | 5.0 | 3.9 | --- | --- | 5.5 | 5.5 | 4.3 | --- | --- |
| 5.0 | 4.9 | 3.7 | --- | --- | 5.2 | 5.3 | 4.1 | --- | --- |
| 858.2 | 869.4 | 855.4 | -11.2 | +2.8 | 242.6 | 245.6 | 242.9 | -3.0 | -0.3 |

T BE USED FOR ECONOMIC ASSISTANCE PROGRAMS

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 814.4 | 821.2 | 754.7 | -6.8 | +59.7 | 223.3 | 225.3 | 207.5 | -2.0 | +15.8 |
| 132.0 | 132.5 | 126.3 | -0.5 | +5.7 | 31.7 | 31.5 | 29.5 | +0.2 | +2.2 |
| 106.1 | 106.4 | 100.7 | -0.3 | +5.4 | 26.6 | 26.4 | 24.6 | +0.2 | +2.0 |
| 5.1 | 5.2 | 4.3 | -0.1 | +0.8 | | | | | |
| 11.2 | 11.3 | 10.5 | -0.1 | +0.7 | | | | | |
| 56.6 | 57.1 | 55.6 | -0.5 | +1.0 | | | | | |
| 33.2 | 32.8 | 30.3 | +0.4 | +2.9 | | | | | |
| 25.9 | 26.1 | 25.6 | -0.2 | +0.3 | 5.1 | 5.1 | 4.9 | +0.0 | +0.2 |
| 5.4 | 5.3 | 5.3 | +0.1 | +0.1 | | | | | |
| 2.9 | 2.9 | 3.0 | +0.0 | -0.1 | | | | | |
| 10.3 | 10.5 | 9.9 | -0.2 | +0.4 | | | | | |
| 7.3 | 7.4 | 7.4 | -0.1 | -0.1 | | | | | |
| 0.6 | 0.6 | 0.6 | +0.0 | +0.0 | 2.5 | 2.5 | 3.7 | +0.0 | -1.2 |
| 76.1 | 77.4 | 67.1 | -1.3 | +9.0 | 21.4 | 21.3 | 18.4 | +0.1 | +3.0 |
| 42.1 | 41.8 | 39.3 | +0.3 | +2.8 | 8.9 | 8.9 | 9.0 | +0.0 | -0.1 |
| 19.8 | 19.9 | 18.7 | -0.1 | +1.1 | 4.0 | 4.1 | 4.1 | -0.1 | -0.1 |
| 22.3 | 21.9 | 20.6 | +0.4 | +1.7 | 4.9 | 4.8 | 4.9 | +0.1 | +0.0 |
| 203.3 | 204.7 | 191.4 | -1.4 | +11.9 | 49.5 | 49.8 | 46.7 | -0.3 | +2.8 |
| 49.9 | 50.1 | 46.7 | -0.2 | +3.2 | 7.5 | 7.4 | 6.6 | +0.1 | +0.9 |
| 153.4 | 154.6 | 144.7 | -1.2 | +8.7 | 42.0 | 42.4 | 40.1 | -0.4 | +1.9 |
| 23.4 | 23.5 | 23.7 | -0.1 | -0.3 | 7.2 | 7.3 | 7.4 | -0.1 | -0.2 |
| 22.7 | 23.0 | 21.9 | -0.3 | +0.8 | 5.9 | 6.0 | 5.4 | -0.1 | +0.5 |
| 19.1 | 18.8 | 17.5 | +0.3 | +1.6 | 4.6 | 4.6 | 4.4 | +0.0 | +0.2 |
| 53.6 | 54.2 | 49.5 | -0.6 | +4.1 | 15.5 | 15.6 | 14.6 | -0.1 | +0.9 |
| 34.6 | 35.1 | 32.1 | -0.5 | +2.5 | 8.9 | 8.9 | 8.3 | -0.1 | +0.6 |
| 60.2 | 59.8 | 56.8 | +0.4 | +3.4 | 10.8 | 10.7 | 10.1 | +0.1 | +0.7 |
| 197.9 | 199.7 | 183.5 | -1.8 | +14.4 | 57.1 | 55.6 | 50.8 | +1.5 | +6.3 |
| 17.0 | 18.0 | 15.0 | -1.0 | +2.0 | 4.3 | 4.4 | 4.0 | -0.1 | +0.3 |
| 54.9 | 55.0 | 50.0 | -0.1 | +4.9 | 10.3 | 9.9 | 8.3 | +0.4 | +2.0 |
| 47.3 | 47.5 | 46.9 | -0.2 | +0.4 | 15.5 | 15.5 | 14.0 | +0.0 | +1.5 |
| 78.7 | 79.2 | 71.6 | -0.5 | +7.1 | 27.0 | 25.8 | 24.5 | +1.2 | +2.5 |
| 102.2 | 104.7 | 89.7 | -2.5 | +12.5 | 41.4 | 45.0 | 39.3 | -3.6 | +2.1 |

-- Prepared by Labor Market Information, Research and Analysis (CPS, 1/85)

# NONMETROPOLITAN COUNTIES
# LABOR FORCE AND EMPLOYMENT
## July 1985

| | Apache | Cochise | Coconino | Gila | Graham | Green-lee | La Paz |
|---|---|---|---|---|---|---|---|
| TOTAL CIVILIAN LABOR FORCE*. | 16,200 | 27,795 | 37,225 | 12,425 | 7,300 | 2,125 | 4,375 |
| Total Unemployment . . . . . | 3,600 | 2,350 | 4,825 | 1,475 | 850 | 425 | 675 |
| Rate . . . . . | 22.2% | 8.4% | 13.0% | 11.9% | 11.6% | 20.0% | 15.4% |
| Rate (Seas. Adj.)**. . . . | 19.9% | 8.2% | 11.8% | 11.8% | 12.3% | 20.9% | -INA- |
| Total Employment . . . . . | 12,600 | 25,625 | 32,400 | 10,950 | 6,450 | 1,700 | 3,700 |
| THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS | | | | | | | |
| TOTAL WAGE AND SALARY. . . . | 14,625 | 22,800 | 33,500 | 9,750 | 4,450 | 1,775 | 2,400 |
| Manufacturing. . . . . | 775 | 1,875 | 2,600 | 1,275 | 150 | 50 | 75 |
| Mining and Quarrying . . . . | 25 | 175 | 50 | 1,650 | 50 | 650 | 0 |
| Construction . . . . . | 950 | 1,375 | 1,625 | 425 | 150 | 100 | 75 |
| Trans., Comm., & Pub. Util.. | 1,875 | 1,475 | 2,350 | 300 | 175 | 50 | 75 |
| Trade. . . . . | 1,350 | 5,000 | 7,975 | 1,925 | 1,325 | 300 | 825 |
| Fin., Insur., & Real Estate. | 275 | 625 | 750 | 225 | 150 | 25 | 75 |
| Services and Miscellaneous . | 4,500 | 3,000 | 8,900 | 1,800 | 775 | 100 | 625 |
| Government . . . . . | 4,875 | 9,275 | 9,250 | 2,150 | 1,675 | 500 | 650 |

| | Mohave | Navajo | Pinal | Santa Cruz | Yavapai | Yuma |
|---|---|---|---|---|---|---|
| TOTAL CIVILIAN LABOR FORCE*. | 23,600 | 26,275 | 30,825 | 8,675 | 32,775 | 37,550 |
| Total Unemployment . . . . . | 2,375 | 5,325 | 4,525 | 1,900 | 1,950 | 10,050 |
| Rate . . . . . | 10.1% | 20.3% | 14.7% | 21.9% | 5.9% | 26.8% |
| Rate (Seas. Adj.)**. . . . | 10.2% | 18.6% | 13.7% | 20.1% | 6.1% | -INA- |
| Total Employment . . . . . | 21,225 | 20,950 | 26,300 | 6,775 | 30,825 | 27,500 |
| THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS | | | | | | |
| TOTAL WAGE AND SALARY. . . . | 17,775 | 18,100 | 24,675 | 7,500 | 20,075 | 22,100 |
| Manufacturing. . . . . | 2,400 | 1,875 | 3,125 | 925 | 2,400 | 1,350 |
| Mining and Quarrying . . . . | 300 | 900 | 3,625 | 0 | 625 | 75 |
| Construction . . . . . | 1,550 | 925 | 1,125 | 300 | 1,975 | 2,025 |
| Trans., Comm., & Pub. Util.. | 1,100 | 1,600 | 1,150 | 550 | 875 | 900 |
| Trade. . . . . | 5,175 | 3,425 | 4,475 | 3,000 | 5,225 | 6,725 |
| Fin., Insur., & Real Estate. | 875 | 375 | 675 | 250 | 800 | 850 |
| Services and Miscellaneous . | 3,575 | 5,400 | 2,800 | 1,200 | 4,175 | 4,225 |
| Government . . . . . | 2,800 | 3,600 | 7,700 | 1,275 | 4,000 | 5,950 |

*Adjusted to the Current Population Survey (CPS) to reflect place of residence.
**Seasonal adjustment not applicable for economic assistance programs.

NOTE--Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

# ARIZONA LABOR FORCE AND EMPLOYMENT FOR ECONOMIC ASSISTANCE PROGRAMS
July 1985

| County | Civilian Labor Force | Employment | Unemployment | Rate |
|---|---|---|---|---|
| Statewide | 1,429,356 | 1,327,902 | 101,454 | 7.1% |
| Apache | 16,178 | 12,591 | 3,587 | 22.2 |
| Cochise | 27,959 | 25,635 | 2,324 | 8.3 |
| Coconino | 37,186 | 32,385 | 4,801 | 12.9 |
| Gila | 12,423 | 10,949 | 1,474 | 11.9 |
| Graham | 7,300 | 6,448 | 852 | 11.7 |
| Greenlee | 2,119 | 1,688 | 431 | 20.3 |
| La Paz | 4,356 | 3,712 | 644 | 14.8 |
| Maricopa | 905,064 | 858,184 | 46,880 | 5.2 |
| Mohave | 23,592 | 21,233 | 2,359 | 10.0 |
| Navajo | 26,235 | 20,941 | 5,294 | 20.2 |
| Pima | 256,556 | 242,727 | 13,829 | 5.4 |
| Pinal | 30,802 | 26,312 | 4,490 | 14.6 |
| Santa Cruz | 8,665 | 6,779 | 1,886 | 21.8 |
| Yavapai | 32,771 | 30,823 | 1,948 | 5.9 |
| Yuma | 38,150 | 27,495 | 10,655 | 27.9 |

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators. Note: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

# ESTIMATED HOURS AND EARNINGS OF PRODUCTION WORKERS IN SELECTED INDUSTRIES IN ARIZONA
July 1985

| INDUSTRY | AVERAGE WEEKLY EARNINGS | | | AVERAGE WEEKLY HOURS | | | AVG. HOURLY EARNINGS | | |
|---|---|---|---|---|---|---|---|---|---|
| | JULY* 1985 | JUNE 1985 | JULY 1984 | JULY* 1985 | JUNE 1985 | JULY 1984 | JULY* 1985 | JUNE 1985 | JULY 1984 |
| ***FOR THE STATE OF ARIZONA**** | | | | | | | | | |
| Manufacturing | 389.77 | 390.10 | 384.70 | 40.1 | 40.3 | 41.5 | 9.72 | 9.68 | 9.27 |
| Aircraft & Missiles | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Food & Kindred Products | 353.50 | 363.45 | 299.20 | 41.2 | 41.4 | 40.0 | 8.58 | 8.76 | 7.48 |
| Primary Metals | 484.22 | 493.92 | 493.28 | 38.8 | 39.2 | 40.4 | 12.48 | 12.60 | 12.21 |
| Machinery | 351.12 | 351.74 | 354.89 | 39.9 | 39.7 | 42.4 | 8.80 | 8.86 | 8.37 |
| Copper Mining | 573.36 | 561.31 | 549.84 | 41.7 | 41.6 | 40.4 | 13.72 | 13.48 | 13.61 |
| Construction | 423.40 | 417.84 | 432.03 | 35.7 | 35.5 | 36.8 | 11.86 | 11.77 | 11.74 |
| Utilities | 569.83 | 569.83 | 535.67 | 43.3 | 43.3 | 43.8 | 13.16 | 13.16 | 12.23 |
| Retail Trade** | 241.25 | 248.84 | 236.27 | 33.6 | 34.9 | 34.9 | 7.18 | 7.13 | 6.77 |
| Wholesale Trade | 342.98 | 345.96 | 359.33 | 36.8 | 37.2 | 39.4 | 9.32 | 9.30 | 9.12 |

* Preliminary
** Excludes eating and drinking places.
NOTE--These estimates are based on a sample of full and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

--Prepared by Labor Market Information, Research and Analysis (1972 SIC, 1/84)

ARIZONA UNEMPLOYMENT INSURANCE ACTIVITIES - JUNE 1985

| | June 1985 | May 1985 | June 1984 | % Change From One Year Ago |
|---|---|---|---|---|
| Arizona Claimants Served* | 31,970 | 27,528 | 30,652 | + 4.3% |
| Arizona Average Weeks Unemployed** | 8.3 | 9.0 | 8.7 | - 4.6% |
| Arizona Benefits Paid* | $ 8,889,619 | $ 9,353,537 | $ 9,449,184 | - 5.9% |
| Arizona Trust Fund Balance | $295,410,671 | $301,169,885 | $206,595,202 | +43.0% |

*All Programs
**UI Only

EMPLOYER "CONTRIBUTION" RATE FOR UNEMPLOYMENT INSURANCE
STATE-BY-STATE COMPARISONS

The following two tables report the latest estimates by State Employment Security Agencies (SESA) of their expected average tax rates for employer "contributions" to their Unemployment Insurance (UI) Trust Fund. The tables were issued to SESA administrators on July 10 in Unemployment Insurance Program letter No. 28-85.

Economic development research and planning professionals--both state and local--find these figures to be helpful, and sometimes essential, in formulating marketing initiatives and program designs. They afford state-by-state comparisons of projected UI costs for employers located in, or considering relocating into, a state.

The following definitions of terms will help to understand the tables:

Tax Base, usually called "taxable wage base," is the maximum amount of each employee's salary/wage that is subject to the UI tax. Federal law requires the tax to be levied on all earnings of insured workers up to $7,000, but most states have enacted larger tax bases.

Average Employer Contribution Rates, Taxable refers to the average tax rate that is levied against the tax-base portion of an employee's earnings.

Average Employer Contribution Rates, Total refers to the average tax rate that would apply if the tax were levied against total payroll. This artificial tax rate permits comparison of tax impact--"taxing effort"--among states with different taxable wage bases.

Table 1, "Average Employer Contribution Rates, by State, Calendar Years 1983-85" contains estimates for calendar years 1984 and 1985 and, for comparative purposes, actual rates for 1983. The "taxable" column for each year shows the average percent that taxes are of wages at or below the tax base. The "total" column for each year shows the artificial tax rate described above.

Table 2, "States Arrayed by Tax Rate Based on Total Wages," shows the relative taxing effort being accomplished by each state in 1985, using the artifical "total" tax rate as the basis for ranking the states. This table also reports the total owed the federal government from loans to states to fund their state benefits when their Trust Fund was exhausted by heavy claims loads during recessions since 1975.

SOURCE: U.S. Department of Labor/ETA/UIS, Office of Legislation and Actuarial Services, June, 1985.

TABLE 1

AVERAGE EMPLOYER CONTRIBUTION RATES, BY STATE, CALENDAR YEARS 1983-1984

| STATE | TAX BASE $7,000 EXCEPT AS SHOWN | 1985 ESTIMATED TAXABLE | 1985 ESTIMATED TOTAL | 1984 ESTIMATED TAXABLE | 1984 ESTIMATED TOTAL | 1983 ACTUAL TAXABLE | 1983 ACTUAL TOTAL |
|---|---|---|---|---|---|---|---|
| TOTAL | $7,000 | 3.1 | 1.3 | 3.2 | 1.1 | 2.73 | 1.16 |
| Alabama | $8,000 (1/83) | 2.5 | 1.3 | 2.4 | 1.3 | 2.39 | 1.25 |
| Alaska | $21,800 (1/85) | 2.2 | 1.4 | 2.5 | 1.9 | 2.34 | 1.80 |
| ARIZONA | | 1.8 | 0.6 | 1.9 | 0.7 | 1.05 | 0.39 |
| Arkansas | $7,500 (1/83) | 2.7 | 1.4 | 3.8 | 0.2 | 3.30 | 1.70 |
| California | | 3.2 | 1.2 | 3.1 | 1.2 | 2.60 | 1.00 |
| Colorado | $8,000 (1/84) | 2.8 | 1.2 | 2.6 | 1.2 | 1.61 | 0.65 |
| Connecticut | $7,100 (1/83) | 2.7 | 1.0 | 2.7 | 0.1 | 2.44 | 0.91 |
| Delaware | $8,000 (1/84) | 3.5 | 1.2 | 3.5 | 1.2 | 3.50 | 1.10 |
| Dist. of Columbia | $8,000 (1/83) | 3.0 | 1.0 | 3.0 | 1.0 | 2.80 | 1.00 |
| Florida | | 1.3 | 0.6 | 1.5 | 0.7 | 1.18 | 0.55 |
| Georgia | | 1.7 | 0.8 | 1.7 | 0.7 | 1.50 | 0.70 |
| Hawaii | $15,100 (1/85) | 1.6 | 1.1 | 1.9 | 1.3 | 2.31 | 1.61 |
| Idaho | $15,000 (1/85) | 3.0 | 2.0 | 3.4 | 2.3 | 2.82 | 1.96 |
| Illinois | $8,500 (1/85) | 4.4 | 1.8 | 4.7 | 1.9 | 4.00 | 1.60 |
| Indiana | | 2.5 | 1.0 | 2.4 | 1.0 | 3.16 | 1.28 |
| Iowa | $11,200 (1/85) | 3.4 | 1.8 | 3.4 | 1.9 | 2.92 | 1.55 |
| Kansas | $8,000 (1/84) | 2.7 | 1.3 | 2.9 | 1.4 | 3.51 | 1.50 |
| Kentucky | $8,000 (1/82) | 3.6 | 1.7 | 3.8 | 1.7 | 3.70 | 1.70 |
| Louisiana | | 4.1 | 1.7 | 4.0 | 1.7 | 3.50 | 1.40 |
| Maine | | 3.2 | 1.5 | 3.7 | 1.7 | 3.70 | 1.60 |
| Maryland | | 3.3 | 1.0 | 3.4 | 1.1 | 1.69 | 0.55 |
| Massachusetts | | 2.1 | 0.9 | 2.9 | 1.2 | 3.11 | 1.34 |
| Michigan | $9,000 (1/85) | 5.9 | 2.3 | 5.5 | 2.1 | 4.64 | 1.82 |
| Minnesota | $10,300 (1/85) | 2.6 | 1.2 | 2.8 | 1.3 | 2.50 | 1.20 |
| Mississippi | | 3.0 | 1.4 | 2.8 | 1.4 | 2.00 | 1.90 |
| Missouri | $8,000 (1/85) | 2.5 | 0.9 | 2.6 | 0.9 | 2.73 | 1.00 |
| Montana | $8,600 (1/85) | 3.3 | 2.0 | 3.1 | 1.5 | 3.10 | 1.60 |
| Nebraska | | 1.9 | 0.9 | 1.9 | 0.9 | 1.56 | 0.76 |
| Nevada | $11,100 (1/85) | 2.3 | 1.3 | 2.8 | 1.5 | 2.26 | 1.33 |
| New Hampshire | | 1.4 | 0.6 | 1.6 | 0.7 | 1.68 | 0.76 |
| New Jersey | $10,100 (1/85) | 3.4 | 1.5 | 3.2 | 1.4 | 3.10 | 1.40 |
| New Mexico | $10,000 (1/85) | 2.1 | 1.2 | 2.1 | 1.2 | 1.69 | 0.93 |
| New York | | 3.3 | 1.1 | 3.2 | 1.1 | 3.12 | 1.14 |
| North Carolina | $8,700 (1/85) | 2.7 | 1.4 | 2.6 | 1.4 | 1.70 | 0.80 |
| North Dakota | $10,700 (1/85) | 3.4 | 1.9 | 3.5 | 2.0 | 3.60 | 2.10 |
| Ohio | $8,000 (1/85) | 4.2 | 1.4 | 4.2 | 1.4 | 3.49 | 1.10 |
| Oklahoma | | 2.3 | 1.0 | 2.2 | 0.9 | 1.80 | 0.70 |
| Oregon | $13,000 (1/84) | 3.1 | 1.9 | 3.1 | 1.9 | 3.08 | 1.89 |
| Pennsylvania | $8,000 (1/84) | 5.3 | 2.2 | 5.3 | 2.3 | 5.28 | 2.13 |
| Puerto Rico | | 5.4 | 3.1 | 3.0 | 3.0 | 2.95 | 2.95 |
| Rhode Island | $10,600 (1/85) | 4.1 | 2.3 | 4.1 | 2.3 | 4.10 | 2.27 |
| South Carolina | | 2.1 | 1.0 | 2.1 | 1.0 | 1.98 | 0.95 |
| South Dakota | | 1.4 | 0.7 | 1.8 | 0.9 | 1.80 | 0.80 |
| Tennessee | | 2.4 | 1.0 | 3.2 | 1.4 | 3.07 | 1.41 |
| Texas | | 1.5 | 0.6 | 1.6 | 0.6 | 0.90 | 0.40 |
| Utah | $12,100 (1/85) | 2.5 | 1.6 | 3.2 | 2.0 | 3.10 | 1.88 |
| Vermont | $8,000 (1/83) | 4.4 | 2.1 | 3.4 | 1.7 | 3.10 | 1.60 |
| Virginia | | 1.8 | 0.7 | 2.5 | 1.1 | 2.20 | 1.00 |
| Virgin Islands | $14,000 (1/85) | 3.9 | 3.1 | 3.4 | 2.0 | 3.40 | 2.05 |
| Washington | $10,000 (1/85) | 4.1 | 2.0 | 3.3 | 1.9 | 3.00 | 1.70 |
| West Virginia | $8,000 (1/82) | 4.6 | 2.0 | 4.5 | 2.0 | 4.36 | 1.99 |
| Wisconsin | $9,500 (1/84) | 4.6 | 2.5 | 4.6 | 2.2 | 2.95 | 1.34 |
| Wyoming | $9,500 (1/85) | 3.7 | 1.8 | 3.8 | 1.9 | 3.50 | 1.70 |

NOTE: State Estimated and Actual Rates were furnished by State Employment Security Agencies.

SOURCE: U.S. Department of Labor/ETA/UIS, Office of Legislation and Actuarial Services; June, 1985.

TABLE 2

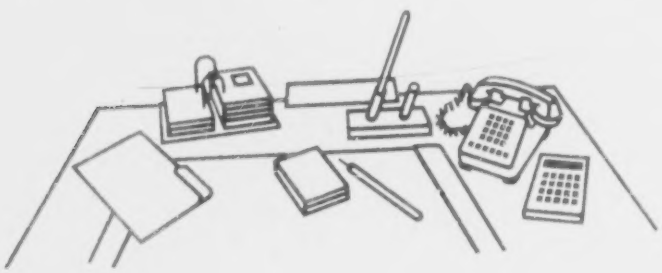
STATES ARRAYED BY TAX RATE BASED ON TOTAL WAGES

| STATE NAMES | TAX RATE $7,000 EXCEPT AS SHOWN | 1985 AVERAGE TAX RATE TAXABLE | TOTAL | 5-31-85 LOANS OUTSTANDING (MILLIONS) |
|---|---|---|---|---|
| Puerto Rico | | 5.4 | 3.1 | $27.3 |
| Virgin Islands | $14,000 | 3.9 | 3.1 | $3.7 |
| Wisconsin | $9,500 | 4.6 | 2.5 | $388.8 |
| Michigan | $9,000 | 5.9 | 2.3 | $1,320.7 |
| Rhode Island | $10,600 | 4.1 | 2.3 | |
| Pennsylvania | $8,000 | 5.3 | 2.2 | $1,475.1 |
| Vermont | $8,000 | 4.4 | 2.1 | $13.6 |
| Idaho | $15,000 | 3.0 | 2.0 | |
| Montana | $8,600 | 3.3 | 2.0 | $17.4 |
| Washington | $10,000 | 4.1 | 2.0 | |
| West Virginia | $8,000 | 4.6 | 2.0 | $303.0 |
| North Dakota | $10,700 | 3.4 | 1.9 | $9.3 |
| Oregon | $13,000 | 3.1 | 1.9 | |
| Illinois | $8,500 | 4.4 | 1.8 | $1,206.7 |
| Iowa | $11,200 | 3.4 | 1.8 | |
| Wyoming | $9,500 | 3.7 | 1.8 | |
| Kentucky | $8,000 | 3.6 | 1.7 | |
| Louisiana | | 4.1 | 1.7 | $471.5 |
| Utah | $12,100 | 2.5 | 1.6 | |
| Maine | | 3.2 | 1.5 | |
| New Jersey | $10,100 | 3.4 | 1.5 | $232.5 |
| Alaska | $21,800 | 2.2 | 1.4 | |
| Arkansas | $7,500 | 2.7 | 1.4 | |
| Mississippi | | 3.0 | 1.4 | |
| North Carolina | $8,700 | 2.7 | 1.4 | |
| Ohio | $8,000 | 4.2 | 1.4 | $1,052.7 |
| Alabama | $8,000 | 2.5 | 1.3 | |
| Kansas | $8,000 | 2.7 | 1.3 | |
| Nevada | $11,100 | 2.3 | 1.3 | |
| UNITED STATES | | 3.1 | 1.3 | $6,867.9 |
| California | | 3.2 | 1.2 | |
| Colorado | $8,000 | 2.8 | 1.2 | |
| Delaware | $8,000 | 3.5 | 1.2 | |
| Minnesota | $10,300 | 2.6 | 1.2 | $128.9 |
| Hawaii | $15,100 | 1.6 | 1.1 | |
| New York | | 3.3 | 1.1 | |
| Connecticut | $7,100 | 2.7 | 1.0 | $147.5 |
| Dist. of Columbia | $8,000 | 3.0 | 1.0 | $13.3 |
| Indiana | | 2.5 | 1.0 | |
| Maryland | | 3.3 | 1.0 | |
| Oklahoma | | 2.3 | 1.0 | |
| South Carolina | | 2.1 | 1.0 | |
| Tennessee | | 2.4 | 1.0 | |
| Massachusetts | | 2.1 | 0.9 | |
| Missouri | $8,000 | 2.5 | 0.9 | |
| Nebraska | | 1.9 | 0.9 | |
| Georgia | | 1.7 | 0.8 | |
| South Dakota | | 1.4 | 0.7 | |
| Virginia | | 1.8 | 0.7 | |
| ARIZONA | | 1.8 | 0.6 | |
| Florida | | 1.3 | 0.6 | |
| New Hampshire | | 1.4 | 0.6 | |
| Texas | | 1.5 | 0.6 | $55.9 |

SOURCE: U.S. Department of Labor/ETA/UIS, Office of Legislation and Actuarial Services; June, 1985.

"New Developments" is featured each month as a service to employers and job seekers. It is a compilation of public announcements of the more significant new construction, grand openings, major hirings and layoffs, and other employer events that have special significance for Arizona labor markets. The announcements are paraphrased and otherwise edited from articles published in newspapers and other periodicals from throughout the state. "New Developments" are limited to space available, and no attempt is made to compile an exhaustive list of all such events that have occurred during the month.

SERVICES - Phoenix has experienced the highest annual percentage of office employment growth since the end of the 1982 recession. It had a 4.49 percent annual growth rate in office employment during this period, followed by Dallas at 3.75 percent and Atlanta at 3.12 percent, according to a 26-city study completed by Colliers International Property Consul-



tants. The Colliers Office Worker/Employment Growth Rate measures which markets are growing fastest in relation to their own base. According to C. Steward Forbes, president of Colliers USA, "As employment grows, there is increased demand for new office space. This past year was the best ever for the Phoenix economy and that has carried over into 1985." Other cities leading the Colliers study on percentage office employment growth rate are Miami (3.04 percent), Columbia, SC (2.60 percent), Kansas City (2.53 percent), Seattle (2.13 percent), and Minneapolis (2.13 percent).

Personal computers have become an intrinsic part of educational institutions nationwide. Surprisingly, some educational users have more personal computers than many large corporations. For example, the Macomb Intermediate School District in Michigan has more personal computers than the 10th company on the InfoWorld 100 corporate list. Likewise, Virginia Polytechnic Institute and Los Angeles City Schools would rank among the top 22 companies.

HOW THE TOP 25 EDUCATIONAL USERS RANK
BY INSTALLED BASE OF PERSONAL COMPUTERS

| | | |
|---|---|---|
| 1. | Macomb (Michigan) Intermediate School District | 5,994 |
| 2. | Virginia Polytechnic Institute | 4,100 |
| 3. | Los Angeles City Schools | 3,785 |
| 4. | Clarkson University | 3,502 |
| 5. | Columbia University-Academic Department | 3,198 |
| 6. | Drexel University-Administration | 3,109 |
| 7. | Georgia Institute of Technology | 2,519 |
| 8. | Stanford University | 2,500 |
| 9. | Arizona State University | 2,023 |
| 10. | University of Michigan-Academic/Research | 2,007 |
| 11. | Stevens Institute of Technology | 1,999 |
| 12. | University of California | 1,998 |
| 13. | Massachusetts Institute of Technology | 1,700 |
| 14. | Maricopa (Arizona) Community College District | 1,599 |
| 15. | Utah State Data Processing Division | 1,553 |
| 16. | Brown University | 1,501 |
| 17. | Dartmouth College | 1,499 |
| 18. | Brigham Young University | 1,390 |
| 19. | San Diego City Schools | 1,369 |
| 20. | Harvard University | 1,218 |
| 21. | Dallas County (Texas) Community College | 1,098 |
| 22. | University of Iowa | 1,025 |
| 23. | Jefferson County (Kentucky) Board of Education | 1,019 |
| 24. | University of North Carolina | 1,014 |
| 25. | Triangle University (North Carolina) Computation Center | 1,010 |

LAYOFFS - Greyhound Lines announced August 23 that they will lay off 219 Phoenix employees and also move their national charter-bus operations from Phoenix to West Des Moines, Iowa. This announcement was the first indication of how the nationwide "cutback program" announced August 8 would impact upon Phoenix employees. This cutback was announced, and now followed through with, due to declining ridership on Greyhound Lines. In Phoenix, 87 of the company's 180 corporate headquarter employees, most of them managers, will be laid off by September 13. Don Behnke, a spokesman for Greyhound Corp., said it would be "more economical" for the company to recruit locally (in Des Moines) than it would be to transfer the Phoenix employees.

CONSTRUCTION - Commercial lenders in the Valley are becoming more choosy in their office-space lending activity this year. This is largely due to office vacancy rates being high here in the Valley, just as they are nationally. "Generally the market is

moving into an overbuilt situation pretty quickly," said Bob Thompson, vice president of commercial real estate lending for Arizona Bank. "And we tend to think vacancy rates will continue to move up over the next two years." Even Southwest Savings and Loan, which as recently as six months ago was aggressively financing speculative--or vacant--office space, is altering its once bullish outlook. Mel Reese, their senior vice president of real estate lending, says, "Today we're considerably more cautious than we were six to eight months ago. We have not been dealing in any major high-rise or mid-rise buildings lately, and in almost all cases we'd like to see considerable pre-leasing commitments on projects we finance." Thompson, from Arizona Bank, echoes these feelings when he says, "In the market we're moving into (Arizona Bank) wants to do business with people with proven track records, excellent financial capacity, and better locations. We're not reaching to do projects with people we do not know, in secondary locations." He adds, however, that, "I think in first-class locations, there are still some good loans to be made. And there are three factors Arizona Bank believes are more important now than before: location, the borrower's financial capacity, and the borrower's expertise." One thing that appears to be certain is that office-space lending activity will slow down this year. "It has got to," concludes Thompson at Arizona Bank.

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A joint plan for the beautification of East McDowell Road was announced in late July by the East McDowell Civic Association (EMCA) and the city of Phoenix. The groups have donated $4,500 to the Arizona State University School of Architecture to develop a streetscape design. The results will be presented on September 20. Graduate students from the college will document the area's needs, and a final scheme will be developed by architectural experts and city engineers.

EMCA was founded in 1979 as a non-profit organization to encourage beautification, zoning, and development of the McDowell area from Central Avenue to 52nd Street, between Virginia and the Papago Freeway.

Red Mountain Ranch Inc., a wholly-owned subsidiary of Mobil Corp., has begun construction on its 820-acre, master-planned community in northeast Mesa. The development, known as Red Mountain Ranch, is Mobil's first project in Arizona. It is located two miles from Falcon Field and one mile from the new corporate headquarters of Hughes Helicopters. The area has been zoned for approximately 2,500 residences, according to Carl Schenk, president of Red Mountain Ranch Inc. The site also includes room for a hotel, restaurants, specialty shops, a golf course, and a fully integrated 180-acre business park.

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Construction began August 22 on The Pointe at South Mountain, a $55 million resort to be located at Baseline Road and Interstate 10. The Resort will be the hub of a 700-acre mixed-use project by Gosnell Development, which created the other two "Pointe" resort communities in Phoenix. This third, new Pointe is expected to be Arizona's largest resort, employing about 2,300 people with an annual payroll of $24.8 million.

This first phase of The Pointe at South Mountain, scheduled for completion in December, will feature 632 suites, five restaurants, and a convention center Existing development at the site includes two Pointe-owned restaurants, 350 homes, and more than 1.5 million square feet of occupied office and warehouse space. Future phases are expected to add 333 more suites and four more restaurants.

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Construction was begun recently on Hayden Park, a 112,807 square-foot office park at Shea Boulevard and Hayden Road in Scottsdale. The completed complex will include 10 buildings with one-story structures ranging in size from 6,750 square feet to 15,490 square feet. Scheduled for completion in March 1986, the development will feature contemporary buildings with copper-roof sections and landscaped courtyards.

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A total of 14,849 homes were sold in Phoenix during the second quarter of this year, according to an Arizona State University College of Business analysis. That number

represents a 37 percent increase over the first quarter of 1985.

Following a slow first quarter, new home sales included more than 2,500 single-family homes and about 900 townhouses and condominiums.

The median price of a new single-family home was about $81,000, 7 percent higher than the second quarter last year, and $8,500 more than the median resale price. The median price of new townhouses and condominiums was about $64,000, a 3 percent decline from the previous year.

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A 49,000 square-foot assembly and office facility for Foton Production Automation will be built at the Williams Field Business Park near I-10 and Williams Field Road in Chandler. Foton is an international manufacturer of computer-controlled assembly equipment for the semiconductor industry. The $3 million building is scheduled for completion late this year, and is designed so that an equal amount of space can be added in three to five years.

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The Koll Company has started development on the final phase of the Koll Business Center-Northwest at Dunlap and 25th Avenue. Phase IV will see the construction of a three-story garden office building totaling 110,000 square feet. Upon completion, the 30-acre business park will house about 130 companies employing 1,500 people.

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Biltmore Financial Center Associates has purchased the ARCO service station at the northwest corner of 24th Street and Camelback Road for $1 million. The property is adjacent to the Biltmore Financial Center, currently under construction. The station will be removed from the site, clearing the way for more open space and plaza areas in the complex. Plans also call for widening the intersection to provide easier access to the center, the first phase of which is expected to be completed in September.

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Construction began in August on a 133-acre business park at the southeast corner of McKellips and Greenfield Roads in Mesa. The developers, Mesa Commerce Center Developers, will supervise the master planning, off-site construction, and landscaping of the project; then sell parcels to individual developers beginning in November. David Eaton, a partner in the project, said he expects the park to include office, industrial, and high-tech users. Once interior improvements have been completed, the project will have an estimated value of $19 million.

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Kaiser Development Co. broke ground at the beginning of July on the first structure of First Kaiser Center, a 41-acre commercial/industrial, hotel/restaurant complex. Located at the northwest corner of I-10 and the Hohokam Freeway, the $100 million master-planned development is scheduled for occupancy next February. The first structure will be a four-story, 80,000 square-foot brick and glass building.

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Construction begins this month on the 250-room Phoenix Airport Hilton Hotel in the Phoenix Airport Center, a 60-acre business park at University Drive and the Hohokam Freeway. Completion of the $21 million business resort is scheduled for fall 1985. The Phoenix Airport Center is expected to include more than a million square feet of office, industrial, and hotel space when fully developed.

AMERICAN INDIAN STUDENTS - Arizona State University (ASU) held a reception on July 19 commemorating the passage of Legislative Bill 2112. Leaders from tribes and Indian organizations gathered from around the state. This legislation allows a student from a recognized tribe whose reservation land lies in Arizona and extends into another state to be classified as an in-state student. ASU President, Dr. Russell Nelson, commented that the make-up of the university student body should reflect the make-up of the area's minority populations. Some special efforts are being taken to address this. Passage of the 2112 Bill was a benefit to American Indian students. Also, American Indian freshmen benefitted from an orientation designed especially for them on August 13. ASU is also making some efforts to reach out to minority populations in general. Dr. Miguel Montiel, assistant vice-president for Academic Affairs, is in this new position to advise on academic issues related to minority under-representation. In addition, a 15 member advisory committee will be named to address minority issues.

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